

**MINUTES OF THE  
PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE**

Wednesday, April 19, 2000 - 2:00 p.m. - Room 223 - State Capitol

**Members Present:**

Sen. Lorin V. Jones, Co-Chair  
Rep. Sheryl L. Allen, Co-Chair  
Sen. Mike Dmitrich  
Sen. Joseph L. Hull  
Sen. Howard C. Nielson  
Rep. Ralph Becker  
Rep. Chad E. Bennion  
Rep. Melvin R. Brown  
Rep. Blake D. Chard  
Rep. David N. Cox  
Rep. Gary F. Cox  
Rep. Tom Hatch  
Rep. David M. Jones  
Rep. Gordon E. Snow  
Rep. Martin R. Stephens  
Rep. John E. Swallow  
Rep. David Ure

**Members Absent:**

Sen. Leonard M. Blackham  
Rep. Kevin S. Garn  
Rep. Brent H. Goodfellow

**Staff Present:**

Mr. Richard North,  
Research Analyst  
Ms. Tani Pack Downing,  
Associate General Counsel  
Ms. Junie G. Anderson,  
Legislative Secretary

**Note:** A list of others present and a copy of materials distributed in the meeting are on file in the Office of Legislative Research and General Counsel.

**1. Call to Order** - Chair Allen called the meeting to order at 2:12 p.m.

**MOTION:** Rep. Gary Cox moved to approve the minutes of the November 17, 1999 meeting. The motion passed unanimously. Rep. Hatch, Rep. Jones, and Rep. Swallow absent for the vote.

**2. Overview - Performance Audit, Public Service Commission, 96-11** - Mr. James Behunin, Audit Supervisor, Legislative Auditor General's Office, distributed a report titled "A Performance Audit of Public Utility Regulation in Utah, 1996" and discussed its contents.

Mr. Rick Coleman, Audit Manager, Legislative Auditor General's Office, discussed the strategic planning process of the audit.

**3. H. B. 320, Public Utility Amendments, Interim Review** - Chair Allen briefed the committee on the bill which was distributed to committee members. She asked those speaking on the bill to outline the main needs of the bill in their verbal remarks and to provide additional concerns and study recommendations in writing to Mr. Richard North by April 26.

Ms. Downing distributed a handout titled "Comparison of HB 320 (2000 G.S.) With Current Statutory Language" and discussed the comparison factors. She also distributed a

handout which displayed the language that was deleted or added to HB 320 regarding the Office of the Public Advocate and the Utility Regulatory Fee.

Mr. Lowell Alt, Division of Public Utilities (DPU), distributed a handout titled "Concerns with HB 320" and discussed the concerns as outlined.

Mr. Roger Ball, Committee of Consumer Services (CCS), said 39 states and the District of Columbia have separate offices of rate payer advocacy which are established by statute and operate independently. He defined which states support independent offices of rate payer advocacy.

Mr. Ball said the main concern of the CCS with HB 320 is that the Public Service Commission (PSC) must have a complete record in cases. He distributed a handout titled "PacifiCorp Rate Case" and discussed the information.

Mr. Steve Mecham, PSC, addressed concerns of the 1996 audit presented by Mr. Behunin. He was concerned that the additional language in HB 320 may change the "just and reasonable" standard. He questioned language in Section 54-1-1 directing the PSC to consider other factors required "according to law" and asked which statute the bill is referring to. He expressed concern over the public utility regulatory fee being changed to a tax. He also questioned whether the DPU and the PSC should be combined.

Rep. Stephens expressed concern about how HB 320 effects telecommunications. Mr. Mecham addressed Rep. Stephen's concerns.

Ms. Betsy Wolf, Salt Lake Community Action Program, said HB 320 does not improve the process and will be harmful to small consumers, the residential business, small business and agricultural customers, and may also be harmful to the general economy and well-being of the state. She said experts on consumer issues must be allowed to represent consumers. She also expressed concern that by removing the CCS through HB 320, the system will slant in favor of protecting utility companies.

Mr. Jeff Fox, Crossroads Urban Center, also expressed concern with provisions in the law that compromise reliability issues and favor public utilities.

Ms. Claire Geddes spoke on behalf of rate payers. She said the quality of service will be adversely effected by HB 320 and the utilities should be subject to automatic penalties for quality of service issues.

Mr. Paul Liston, AARP, distributed a letter addressed to members of the Utah Public Utilities and Technology Interim Committee from AARP. He said HB 320 has caused consumers to lose an independent voice and an advocate in determining pay rates.

Ms. Lisa Manuel, League of Women Workers of Utah, spoke on behalf of residential customers and small business consumers. She expressed concern that HB 320 will eliminate adequate consumer representation.

**4. Does The New Law (HB 320) Adequately Accommodate Differences Among The Various Industries Subject To Regulation?** - Mr. Chuck Greenhawt, Questar, distributed copies of flow charts of the proposed HB 320 regulatory structure titled "Current Organization (Under existing statute)," "Current Organization (Under existing practice)," and "Organization Under HB320," and explained the charts. He expressed concern over misinformation and misrepresentation of HB 320. He spoke in favor of the bill and said the new law is good legislation that moves the regulatory process in the right direction.

Mr. Edward Tim Hunter, PacifiCorp, spoke in favor of the bill. He said that although most of the concern today is about consumers losing their voice in the rate-setting process, PacifiCorp finds it is also important that the health of regulated utilities be considered in the regulatory process. He also said HB 320 removes an anomaly where state agencies are immune from considering the interests of regulated businesses when making determinations.

Mr. Gary Dodge, Parr Waddoups Brown Gee & Loveless, spoke on behalf of large industrial energy users. He said the focus of the bill should be to make the process fair to all and not to favor one company or provider to the detriment of the consumers.

Rep. Stephens suggested that representatives for utility companies provide comments on how the passage of HB 320 would improve the current regulatory system.

Mr. Robin Riggs, US West, provided background on the development of competition through the 1995 Telecommunications Act. He said it is imperative that regulatory processes continue to be examined in order to recognize the existence of competition and to encourage it for all services. He spoke in favor of HB 320 and said it adequately accommodates differences among various industries subject to regulation.

Mr. Jerry Oldroyd, Sutter Axland, spoke on behalf of telecommunication competitors. He expressed concern that HB 320 is a risk to facility-based carriers and their ability to compete. He said there must be very strict procedural requirements such as assuring all companies will have their interests represented, determining when a substantial interest may be modified, and a meaningful notice and opportunity to be heard.

## **5. Adjournment -**

**MOTION:** Rep. David Cox moved to adjourn the meeting at 5:10 p.m. The motion passed unanimously. Sen. Dmitrich, Sen. Hull, Rep. Brown, Rep. Hatch, and Rep. Jones were absent for the vote.

